



3 APR 1980

Mr. Thomas D. Morris
Commissioner
Federal Supply Service
General Services Administration
Washington, D.C. 20406

Dear Tom:

The purpose of this letter is to request a waiver from inclusion of the Central Intelligence Agency within the scope of the General Services Administration's Furniture Management Reform Program. This Agency fully subscribes to the spirit and intent of GSA's efforts to establish a comprehensive and orderly management program for the utilization of existing furniture stocks. However, the mechanisms required to insure the effectiveness of such a program create unacceptable security risks to the ongoing operations of this Agency.

The very nature of this Agency requires that its size, location, and operational methodology be concealed from public disclosure. It is our belief that adherence to the procedures proposed by GSA are inimical to the protection of national security information concerning the size, location, and operations of this Agency. Specifically, it is our belief that an analysis of the completed Expense Plan will permit a knowledgeable party to determine the actual size of this Agency's staff and to discern whether we are expanding or contracting our activities. The submission of justifications for new acquisitions will require disclosure of information which may be classified. The submission of purchase orders or delivery orders against Federal Supply Schedule contracts will again risk disclosure of classified information.

It is our understanding that information provided on the Expense Plan will be incorporated into a computer-based management system. Any submission of information by this Agency would be classified. We believe that the incorporation of classified information will unnecessarily complicate GSA's program.

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This Agency has a number of classified activities that are supported from our Headquarters organization. We are not in a position to provide information as to location, size, or purpose. One of the specific elements of information required by Operation Clean Sweep is the location and staff complement of organizational units.

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We have attempted to identify those areas of the furniture program which pose a significant threat to our classified operations in an effort to determine a feasible way of satisfying GSA and OMB management requirements. Our analysis indicates that there is no feasible way available to provide the requisite information, for incorporation into GSA's Government-wide furniture management program, without disclosing sensitive classified information. We commend the following alternative approach to you as being within the spirit and intent of the furniture reform program:

Operation Clean Sweep/Cleaninghouse:

1. CIA will furnish a consolidated inventory of stocked furniture to a GSA official possessing an appropriate security clearance. If GSA determines that there is excess stock, CIA will remove the excess to a GSA-designated location.
2. GSA will not retain a listing of CIA furniture stock in its files.
3. CIA will update its furniture inventory listing and will provide a copy for review by GSA on an annual basis.

Expense Plan:

1. CIA will furnish a copy of its Fiscal Year 1981 Expense Plan to a GSA official, possessing an appropriate security clearance, for review and approval.
2. CIA will forward the Expense Plan, with GSA's recommendation for approval, to its reviewing official in OMB.
3. In the event GSA recommends disapproval, OMB will adjudicate the issue.

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4. CIA will make provision for an annual audit by GSA personnel of CIA's actual expenditure against the Expense Plan.

Operation Validate:

1. CIA will screen excess furniture lists provided by GSA prior to purchasing furniture.

2. CIA will develop an internal certification procedure to insure that unwarranted furniture purchases are avoided.

3. CIA will not be required to seek prior GSA approval for furniture purchases or issues from Agency stock.

4. CIA will not be required to forward a copy of purchase/delivery orders to GSA.

5. CIA will make provision for an annual audit by GSA personnel of furniture procurement actions.

6. GSA will provide CIA with a Project Code for use in FEDSTRIP requisitioning activities.

It is my firm belief that the above procedures will permit GSA to evaluate the management of furniture within CIA while protecting our essential security requirements. CIA will retain copies of essential records and files at its Headquarters to permit GSA personnel to conduct the several audits and reviews outlined above. This Agency has cooperated in an analogous policy of annual reviews with GSA in the area of ADPGE acquisition.

Sincerely,

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Don I. Wortman
Deputy Director
for
Administration

Mr. Thomas D. Morris

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/s/ James H. McDonald

3 APR 1980

Director of Logistics

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